

sary have accumulated, I am told, a large amount of real estate holdings and developed a situation which requires different treatment. The Commissioner in his report to you will make clear this situation, and I suggest your careful study of the whole problem, to the end that proper provision may be made for adequate administration, the safeguarding of the State's interests and the protection of the fund for all veterans.

Constitutional Amendments

The last General Assembly provided for the submission of a number of Constitutional amendments. These submissions, however, never took place as a result of the opinion of our Supreme Court. While some of these amendments were fiercely debated, there were others of such manifest merit that no voice was raised against them. Personally, I am impressed that legitimate objections to others could be easily removed. I am particularly concerned about the opportunities which some of them would afford to liberalize our tax structure, work out reforms in our judicial system, protest against excessive debt, and provide opportunities for legislation to encourage home building and ownership. These matters have long been of great interest to me. It is noteworthy that Federal income tax collections in North Carolina greatly exceed those paid the State, that ownership of humble homes is really penalized, and that the way to municipal debt accumulations is made comparatively easy under present Constitutional provisions. The possibility of reforming these and other conditions should not be lightly passed by. I venture to suggest, therefore, a study of this situation by you, to the end that, if possible, the undeniable benefits of some of these recommendations may be obtained for the people.

Tax Foreclosure Laws

Legislation by your immediate predecessor has been construed in such a way as to leave in some confusion the presently existing tax foreclosure laws. The situation should be clarified by appropriate legislation and I shall be glad to submit suggestions as to how it may be accomplished, though your own studies no doubt will suggest the remedies.

Generally

During the months since the Assembly was last here our people have been through many vicissitudes. They have also experienced some real triumphs and definite progress along the road to recovery is everywhere apparent. Greatly improved farm prices are largely responsible for this. In all activities concerning the people the Chief Executive has endeavored to play a proper part and lend the weight of his influence and the power of his office. Whether a movement for improved prices, a crusade for the Parkway in the West, an erosion enterprise in the Piedmont, the development of our Ports and all of them in the East, our time, talents and energies have been at all times available. Particularly too have we endeavored at all times to cooperate with each and every of the New Deal activities and in the National Recovery Program. We shall continue that attitude. And for such enterprise as you may also determine I pledge you here and now an earnest cooperation and a sympathetic understanding.

Finally

Men may differ in appearance, but the fundamental differential between individuals is in the character which they develop. And in the enterprise of State Government we have striven earnestly to give to this administration something of distinctive